

## Message Text

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ACTION ARA-20

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----- 085972

R 131500Z MAR 74

FM AMCONSUL PARAMARIBO

TO SECSTATE WASHDC 1585

INFO AMEMBASSY THE HAGUE

AMCONSUL CURACAO

AMCONSUL MARTINIQUE

C O N F I D E N T I A L PARAMARIBO 101

E.O. 11652: GDS

TAGS: PINT, EMIN, NS, NL

SUBJECT: DUTCH PRIME MINISTER'S VIEWS ON SURINAM

REF: THE HAGUE 2236; THE HAGUE 809

1. SUMMARY. PRIME MINISTER DEN UYL'S REMARKS AS REPORTED IN REFTTEL FOLLOWING A SHORT INITIAL VISIT TO SURINAM MAY REFLECT EITHER AN IMPERFECT UNDERSTANDING OF SURINAM BAUXITE AFFAIRS OR A DESIRE TO INVOLVE THE U.S. WITH SURINAM SO THAT THE U.S. MIGHT ASSUME ALL OR PART OF HOLLAND'S SURINAM RESPONSIBILITY. IN ANY CASE THE U.S. SHOULD PROCEED WITH CAUTION IN ANY ACTIONS BASED ON DEN UYL'S REMARKS. END SUMMARY.

2. REFERENCED TELEGRAM MERITS CAREFUL CONSIDERATION. WE WISH TO OFFER THE FOLLOWING COMMENTS:

3. CHARACTERIZATION OF NEW GOS AS VERY "LEFT WING" SOMEWHAT SURPRISING COMING FROM DEN UYL SINCE PROBABLY ONLY THE MORE CONSERVATIVE OF LOCAL OBSERVERS WOULD SO DESCRIBE THIS GOVERNMENT. WE DO NOT WISH TO SPLIT SEMANTIC HAIRS, BUT IN OUR OPINION THIS GOVERNMENT COULD NOT REASONABLY BE DESCRIBED AS "VERY LEFT WING."

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RM RE SUBJECT OF GOS INTENTION TO OBTAIN PARTICIPATION IN BAUXITE INDUSTRY, DEN UYL SEEMS TO CREATE IMPRESSION THAT EXISTING BAUXITE INDUSTRY IS WHAT GOS HAS ITS SIGHTS ON. BASED ON EVERYTHING WE HAVE HEARD IN PUBLIC AND PRIVATE STATEMENTS FROM GOS OFFICIALS, WHAT THE GOS NOW DESIRES IS THE OPTION RPT OPTION TO PARTICIPATE IN FUTURE RPT FUTURE ENTERPRISES WHICH UTILIZE BAUXITE AND OTHER NATURAL RESOURCES. THIS IS THE ESSENCE OF THE GOVERNMENT POLICY DECLARATION OF FEBRUARY 15 AND THE ENSUING DEBATE IN THE STATEN (PARAMARIBO 081), AS WELL AS THE SENSE OF PRIVATE STATEMENTS BY GOS LEADERS. FOR THE MOMENT, AT LEAST IT SEEMS TO DIFFER LITTLE FROM THE JOINT VENTURE STRATEGY OF THE PREVIOUS GOVERNMENT.

5. WITH REGARD TO CONCEPT THAT GOS SHOULD FINANCE GOS PURCHASE OF ALUMINUM, WE CAN ONLY ASSUME THIS REFERS TO A PROPOSAL MADE LAST YEAR BY LEFTIST DUTCH PPR PARLIAMENTARIAN VAN GORKUM, WHO ADVOCATED THAT GOS NATIONALIZE BAUXITE INDUSTRY, AND THAT THE NETHERLANDS FINANCE THE EXPROPRIATION. VAN GORKUM'S PLAN RECEIVED VIRTUALLY NO SUPPORT IN SURINAM; IN FACT NEITHER VAN GORKUM NOR THE IDEA WERE TAKEN SERIOUSLY EITHER BY LEFT OR RIGHT. WE UNDERSTAND FROM DUTCH PRESS ACCOUNTS THAT HIS PROPOSITION WAS RESOUNDINGLY DEFEATED IN DUTCH LOWER HOUSE. AS FAR AS WE OR OTHER SOURCES CONTACTED KNOWN THERE HAVE BEEN NO FURTHER PROPOSALS ALONG THESE LINES. NEVERTHELESS, WE WILL PROCEED TO CHECK FURTHER TO ASCERTAIN IF THERE IS SOMETHING MORE BEHIND CONCEPT MENTIONED BY DEN UYL.

6. FURTHER ON SUBJECT OF GOS PARTICIPATION IN BAUXITE INDUSTRY, THE GOS ALREADY HAS AN OPTION TO ACQUIRE 25 PERCENT OF BILLITON (A-68, NOVEMBER 9, 1973). HOWEVER, IT HAS NOT EXERCISED THIS OPTION, AND PROBABLY HAS NOT YET FOCUSED ON DIFFICULT QUESTION OF FINANCING. WITH REGARD TO SURAPCO, RECENT CONVERSATIONS WITH THE MANAGING DIRECTOR INDICATE THAT SURALCO AND ALCOA REGARD WITH EQUANIMITY AND PERHAPS WELCOME THE INFUSION OF ADDITIONAL CAPITAL THAT WOULD ENSUE FROM GOS PURCHASE OF A SIGNIFICANT PORTION OF SURALCO.

7. WE FRANKLY DO NOT KNOW WHAT TO MAKE OF DEN UYL'S COMMENTS AS REPORTED REFTEL. DEN UYL'S VISIT, HIS FIRST TO SURINAM AS FAR AS WE ARE AWARE, WAS SHORT AND PARTLY TAKEN UP WITH CONFIDENTIAL

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TOURISM. HE MAY SIMPLY HAVE COME AWAY WITH AN IMPERFECT UNDERSTANDING OF WHAT HE HAD SEEN, AS HAVE SOME OTHER VISITING DUTCH POLITICIANS.

8. MORE DANGEROUS ALTERNATIVE FROM POINT OF VIEW OF OUR INTERESTS IS POSSIBILITY THAT DEN UYL IS ATTEMPTING TO PROVOKE UNDUE U.S. CONCERN OVER U.S. INVESTMENTS IN BAUXITE IN ORDER TO BRING ABOUT U.S. INVOLVEMENT IN SURINAM, WHICH WOULD LIGHTEN

HOLLAND'S BURDEN. IT WOULD BE QUITE ESSENTIALLY DUTCH TO ATTEMPT TO PROVIDE HANDSOMELY FOR HOLLAND'S SOCIAL OBLIGATIONS TO SURINAM, BUT AT NO COST TO HOLLAND. BE THAT AS IT MAY, WE CAN ONLY SPECULATE ON REASONS FOR DEN UYL'S REMARKS, WHICH DO NOT SQUARE WITH REALITY AS PERCEIVED BY OURSELVES AND, WE BELIEVE, VIRTUALLY ALL OTHER LOCAL OBSERVERS.

9. WITH REGARD TO THE EMBASSY'S RECOMMENDATIONS, WE OBVIOUSLY SEE NO NEED (RECOMMENDATION A) TO ADVISE U.S. BAUXITE COMPANIES OF REPORTED GOS PLAN TO PARTICIPATE IN BAUXITE INDUSTRY. IF DEPARTMENT DECIDES TO DO SO, WE RECOMMEND CARE BE EXERCISED. COMPANIES, ESPECIALLY SURALCO, ARE EXTREMELY WELL INFORMED AND SENSITIVE TO DEVELOPMENTS AFFECTING THEIR INTERESTS. WE WOULD NOT WANT DEPARTMENT TO BE IN THE POSITION OF PASSING ON INFORMATION WHICH THE INDUSTRY KNEW, OR WOULD SOON LEARN, WAS FALLACIOUS. WE HAVE IN ANY CASE ALREADY RE-EXPLORED IN SOME DETAIL WITH SURALCO AND GOS SOURCES THE SUBJECT OF GOS PARTICIPATION IN THE BAUXITE INDUSTRY IN ORDER TO CONFIRM OUR ORIGINAL ASSESSMENT AS STATED IN THE FOREGOING. WE HAVE, OF COURSE, NOT REVEALED EMBASSY THE HAGUE OR DEN UYL AS THE REASON FOR OUR INTEREST. DEPARTMENT MAY WISH TO CONSIDER THAT THIS SUFFICES TO ALERT U.S. COMPANIES.

10. EMBASSY'S RECOMMENDATION (B) AGAIN RAISES QUESTION OF AMERICAN ACCESS TO SURINAM BAUXITE. AS WE HAVE EARLIER POINTED OUT (PARAMARIBO 72) THE QUESTION, HOWEVER UNLIKELY AT THIS TIME, OF SURINAM EXPROPRIATION OF, OR PARTICIPATION IN, THE SURINAM BAUXITE INDUSTRY IS QUITE DIFFERENT FROM THE PROBLEM OF ACCESS. THE U.S. WOULD IN ALL LIKELIHOOD REMAIN AN IMPORTANT CUSTOMER OF SURINAM BAUXITE AS LONG AS WE ARE WILLING TO PAY THE GOING WORLD RATE. SURINAM RELIES HEAVILY ON THE U.S. AS ITS MAJOR CUSTOMER FOR ITS PRINCIPAL PRODUCT. WE DO HOWEVER COMPLETELY CONCUR WITH EMBASSY THE HAGUE ON THE NEED FOR POLICY GUIDANCE. CONFIDENTIAL

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IN OUR OPINION, THE NETHERLANDS' MAIN ROLE IN PROTECTING U.S. INTERESTS IN SURINAM LIE IN ACTIVELY ENCOURAGING AND ASSISTING ECONOMIC AND SOCIAL DEVELOPMENT IN SURINAM. WE DEFINITELY DO NOT BELIEVE, NOR DOES ANY OTHER SENSIBLE OBSERVER OF SURINAM AFFAIRS, THAT THE NETHERLANDS IS EITHER WILLING OR ABLE, NOR COULD BE PERSUADED, TO INTERVENE DIRECTLY TO PROTECT U.S. BAUXITE INTERESTS OR TO SLOW DOWN THE PROCESS OF SURINAM'S INDEPENDENCE.

11. IT SEEMS TO US FROM REFS THAT PRINCIPAL RISK NOW IS POSSIBILITY OF U.S. OVER-INVOLVEMENT IN SURINAM AFFAIRS, PERHAPS AS A RESULT OF A PLOY BY THE GON TO PASS ON TO THE U.S. ITS SURINAM ECONOMIC ASSISTANCE OBLIGATIONS. THE BAIT IS OBVIOUSLY A PURPORTED THREAT TO U.S. BAUXITE INTERESTS IN SURINAM. WE BELIEVE THAT DEPARTMENTAL GUIDANCE SHOULD CON-

CENTRATE ON PROBLEM OF AVOIDING THE EXPRESSION OF UNDUE U.S. INTEREST IN SURINAM AFFAIRS IN ORDER NOT TO ENCOURAGE THE GON TO BELIEVE THAT THE U.S. IS PREPARED TO SHOULDER DUTCH RESPONSIBILITIES REGARDING SURINAM.

12. IT MIGHT ALSO BE USEFUL, IF DEPARTMENT DEEMS IT APPROPRIATE, AND EMBASSY THE HAGUE SO DESIRES, FOR THE EMBASSY TO SEND A REPRESENTATIVE TO SURINAM FOR CONSULTATION.  
JOHNSTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BAUXITE, NATIONALIZATION, SPHERE OF INFLUENCE, FOREIGN POLICY POSITION, CHIEF OF STATE VISITS, SELFDETERMINATION, MINING INDUSTRY, REGIONAL ORGANIZATIONS, FOREIGN INVESTMENTS, FOREIGN ASSISTANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Disposition Date:** 28 MAY 2004  
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